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**UNITED STATES WINS WTO CASE CHALLENGING
CANADA'S 17-YEAR PATENT TERM**

United States Trade Representative Charlene Barshefsky announced today that a World Trade Organization dispute settlement panel has agreed with the United States that Canada has not met its obligations under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS Agreement"). That agreement requires WTO Members to provide a term of protection of at least 20 years from filing to all patents in existence in Canada since January 1, 1996.

"This is not a complex dispute. The panel simply had to make it clear that Canada must provide 20 years of patent protection, as required by the TRIPS Agreement," said Ambassador Barshefsky. "This decision requires Canada to provide 20 years of patent protection to more than 160,000 patented products, which span the full spectrum of industries. We expect Canada to do the right thing and comply with its WTO obligations."

The panel affirmed the U.S. position that the 17-year term of protection for patents filed before October 1, 1989, provided for in the Canadian Patent Act, is inconsistent with the requirement in the TRIPS Agreement that Members provide a patent term of at least twenty years from the date of filing for all patents existing on January 1, 1996. With respect to a large number of existing patents that were filed before October 1, 1989, and in existence on January 1, 1996, Canada is in violation of its WTO obligations as a result of its failure to provide an adequate patent term.

Background

On May 6, 1999, the United States initiated a WTO dispute settlement case against Canada for its failure to amend its patent law to comply with the TRIPS Agreement, which requires that Canada provide a patent term of at least twenty years from the date that a patent application is filed for all patents existing on January 1, 1996. The Canadian Patent Act, however, provides that the term

of patents based on applications filed before October 1, 1989, is seventeen years from the date that the patent is issued. On September 22, 1999, the WTO established a panel to review this issue. The final panel report was released on May 5, 2000.